

**LAW OFFICES OF
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April 19, 2011

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

RECORDATION NO. 29749 FILED
APR 19 '11 -1 08 PM

Dear Ms. Brown:

SURFACE TRANSPORTATION BOARD

I have enclosed for e-filing the document described below, to be recorded pursuant to 49 U.S.C. § 11301.

The document is a Memorandum of Lease Agreement, a primary document, dated as of April 15, 2011. We request that this document be given the next available recordation number.

The names and addresses of the parties to the Memorandum of Lease Agreement are:

Lessor

GAIX Rail Locomotive Group, LLC
Four Embarcadero Center, Suite 2100
San Francisco, CA 94111

Lessee:

East Penn Railroad, L.L.C.
505 S. Broad Street
Kennett Square, PA 19348

A description of the equipment covered by the Memorandum of Lease Agreement consists of two GP38-2 locomotives numbered GMTX 2173 and 2179.

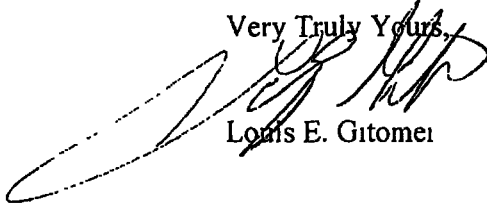
A fee of \$41.00 is enclosed. Please return one copy by email to:

Louis E. Gitomer
600 Baltimore Avenue, Suite 301
Towson, MD 21204
Lou_Gitomer@verizon.net

Ms. Cynthia T. Brown
April 19, 2011
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A short summary of the document to appear in the index follows: a Memorandum of Lease Agreement between GATX Rail Locomotive Group, LLC, Four Embarcadero Center, Suite 2100, San Francisco, CA 94111, and East Penn Railroad, L.L.C., 505 S Broad Street, Kennett Square, PA 19348, covering two GP38-2 locomotives numbered GMTX 2173 and 2179

Very Truly Yours,


Louis E. Gitomei

Enclosure

APR 19 '11 -1 08 PM

SURFACE TRANSPORTATION BOARD

MEMORANDUM OF LEASE AGREEMENT

dated as of April 15, 2011

between

GATX RAIL LOCOMOTIVE GROUP, L.L.C.,

as Lessor,

and

EAST PENN RAIL ROAD, L.L.C.

as Lessee,


MEMORANDUM OF LEASE AGREEMENT

THIS MEMORANDUM OF LEASE AGREEMENT is made and entered into as of April 15, 2011, between GATX RAIL LOCOMOTIVE GROUP, L.L.C ("Lessor"), Four Embarcadero Center, Suite 2100, San Francisco, CA 94111, and EAST PENN RAILROAD, L.L.C ("Lessee"), 505 S Broad St, Kennett Square, PA 19348, with reference to the following:

- 1 Pursuant to that certain Locomotive Lease Agreement dated April 15, 2011, between Lessor and Lessee (the "Lease Agreement"), Lessor has agreed to lease to Lessee, and Lessee has agreed to lease from Lessor, two GP38-2 locomotives with road number GMTX 2173 and 2179 (the "Units").
- 2 In consideration for the rights granted to Lessee under the Lease Agreement, the sufficiency of which Lessee hereby acknowledges, Lessee hereby confirms and grants Lessor a first priority security interest in the Units
3. This Memorandum of Lease Agreement may be executed in any number of counterparts, each executed counterpart constituting an original but all together only one Memorandum of Lease Agreement.

IN WITNESS WHEREOF, the parties hereto have executed or caused this Memorandum of Lease Agreement to be executed as of the date first above written

GATX RAIL LOCOMOTIVE GROUP, L.L.C.,
as Lessor

By: 
Name: Eileen Raphael
Title: Vice President, Business Operations

EAST PENN RAILROAD, LLC
as Lessee

By: _____
Name: _____
Title: _____

STATE OF CALIFORNIA)
)
COUNTY OF SAN FRANCISCO)

On April 15, 2011, before me, Nicholette Maris, Notary Public, personally appeared Eileen Raphael, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal



Nicholette Maris
Notary Public
My Commission expires May 17, 2011

MEMORANDUM OF LEASE AGREEMENT

THIS MEMORANDUM OF LEASE AGREEMENT is made and entered into as of April 15, 2011, between GATX RAIL LOCOMOTIVE GROUP, L L C. ("Lessor"), Four Embarcadero Center, Suite 2100, San Francisco, CA 94111, and EAST PENN RAILROAD, L L C ("Lessee"), 505 S Broad St , Kennett Square, PA 19348, with reference to the following.

1. Pursuant to that certain Locomotive Lease Agreement dated April 15, 2011, between Lessor and Lessee (the "Lease Agreement"), Lessor has agreed to lease to Lessee, and Lessee has agreed to lease from Lessor, two GP38-2 locomotives with road number GMTX 2173 and 2179 (the "Units")
2. In consideration for the rights granted to Lessee under the Lease Agreement the sufficiency of which Lessee hereby acknowledges, Lessee hereby confirms and grants Lessor a first priority security interest in the Units
3. This Memorandum of Lease Agreement may be executed in any number of counterparts, each executed counterpart constituting an original but all together only one Memorandum of Lease Agreement

IN WITNESS WHEREOF, the parties hereto have executed or caused this Memorandum of Lease Agreement to be executed as of the date first above written

GATX RAIL LOCOMOTIVE GROUP, L L C
as Lessor

By: _____
Name Eileen Raphael
Title: Vice President, Business Operations

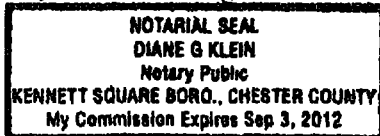
EAST PENN RAILROAD, L L C
as Lessee

By:  _____
Name Robert C Parker
Title: President and CEO

STATE OF Pennsylvania)
COUNTY OF Chester) ss

On this 18th day of April, 2011, before me, Diane Klein the undersigned Notary Public, personally appeared Robert C Parker personally known to me to be the person who executed the within instrument as Robert C Parker on behalf of the corporation therein named, and acknowledged to me that the corporation executed it.

[Seal]



Diane G Klein
Notary Public

My commission expires

September 3, 2012